

The printed portions of this form approved by the Colorado Real Estate Commission (CDS 3-S-89)

RUSSCOR CONTRACT

THIS IS A LEGAL INSTRUMENT. IF NOT UNDERSTOOD, LEGAL, TAX OR OTHER COUNSEL SHOULD BE CONSULTED BEFORE SIGNING.

VACANT LAND/FARM AND RANCH CONTRACT TO BUY AND SELL REAL ESTATE Seller's remedy Liquidated Damages or Specific Performance (Section 16)

December 22, 1993

1. PARTIES AND PROPERTY. Russcor Financial, Inc. and/or its assigns

, purchaser(s) [Purchaser], (as joint tenants/tenants in common) agrees to buy, and the undersigned seller(s) [Seller], agrees to sell, on the terms and conditions set forth in this contract, the following described real estate in the County of Dolores, Colorado, to wit: per attached Exhibit "A". Purchaser to take in "as is" condition.

known as No. _____, (Street Address, City, State, Zip) together with all interest of Seller in vacated streets and alleys adjacent thereto, all easements and other appurtenances thereto, all improvements thereon and all attached fixtures thereon, except as herein excluded, and called the Property.

2. INCLUSIONS. The purchase price includes the following items (a) if attached to the Property on the date of this contract: lighting, heating, plumbing, ventilating, and air conditioning fixtures, TV antennas, water softeners, smoke/fire/burglar alarms, security devices, inside telephone wiring and connecting blocks/jacks, plants, mirrors, floor coverings, intercom systems, built-in kitchen appliances, and sprinkler systems and controls; (b) if on the Property whether attached or not on the date of this contract: built-in vacuum systems (including accessories), storm windows, storm doors, window and porch shades, awnings, blinds, screens, curtain rods, drapery rods, fireplace inserts, fireplace screens, fireplace grates, heating stoves, storage sheds, all keys and garage door openers including _____ remote controls; and (c) purchaser to take in "as is" condition;

(d) Water Rights. Purchase price to include the following water rights: All those conveyed to Seller in its purchase of the property. Transfer by Quit Claim Deed.

(e) Growing Crops. With respect to the growing crops Seller and Purchaser agree as follows: N/A

The above-described included items (Inclusions) are to be conveyed to Purchaser by Seller by bill of sale, _____ deed or other applicable legal instrument(s) at the closing, free and clear of all taxes, liens and encumbrances, except as provided in section 10. The following attached fixtures are excluded from this sale:

3. PURCHASE PRICE AND TERMS. The purchase price shall be \$ 3,260,000.00, payable in U.S. dollars by Purchaser as follows (complete the applicable terms below):

(a) Earnest Money. \$ 75,000.00 in the form of personal check, as earnest money deposit and part payment of the purchase price, payable to and held by Telluride Mountain Title Company ~~trust~~ account on behalf of both Seller and Purchaser. Trust is authorized to deliver the earnest money deposit to the closing agent, if any, at or before closing. Title Company

(b) Cash at Closing. \$ 1,685,000.00 to be paid by Purchaser at closing in cash, electronic transfer funds, certified check, savings and loan teller's check, or cashier's check. Subject to the provisions of section 4, if the existing loan balance at the time of closing shall be different from the loan balance in section 3, the adjustment shall be made in cash at closing or paid as follows: no adjustment

~~(c) New Loan. \$ _____ by Purchaser obtaining a new loan. This loan will be secured by a (1st, 2nd, etc.) _____ deed of trust. The new loan to Purchaser shall be amortized over a period of _____ years at approximately \$ _____ per _____ including principal and interest not to exceed _____ % per annum, plus, if required by Purchaser's lender, a deposit of _____ of the estimated annual real estate taxes, property insurance premium, and mortgage insurance premium. If the loan is an adjustable interest rate or graduated payment loan, the payments and interest rate initially shall not exceed the figures set forth above: Loan discount points, if any, shall be paid to lender at closing and shall not exceed _____ % of the total loan amount. The first (1, 2, etc.) _____ loan discount points shall be paid by _____ and the balance, if any, shall be paid by _____. Purchaser shall timely pay a loan origination fee not to exceed _____ % of the loan amount and Purchaser's loan costs. Cost of any appraisal for loan purposes to be obtained after this date shall be paid by _____ upon loan application as required by lender.~~

~~(d) Assumption~~

~~\$ _____ by Purchaser assuming and agreeing to pay an existing loan in this approximate amount, presently payable at \$ _____ per _____ including principal, interest presently at _____ % per annum, and including escrow for the following as indicated: ☐ real estate taxes, ☐ property insurance premium, ☐ mortgage insurance premium, and _____ . Purchaser agrees to pay a loan transfer fee not to exceed \$ _____. At the time of assumption, the new interest rate shall not exceed _____ % per annum and the new payment shall not exceed \$ _____ plus escrow, if any.~~

~~Seller ☐ shall ☐ shall not be released from liability on said loan. If applicable, compliance with the requirements for release from liability shall be evidenced by delivery at closing of appropriate letter from lender. Cost payable for release of liability shall be paid by _____ in an amount not to exceed \$ _____.~~

(e) Seller or Private Third-Party Financing.

\$ 1,500,000.00 by Purchaser executing a promissory note payable to: Seller on the note form as indicated: (check one box)

- ☐ Right-to-Cure NTD 82-11-83 ☐ No Right-to-Cure NTD 81-11-83 ☐ _____
secured by a (1st, 2nd, etc.) 1st deed of trust encumbering the Property, using the form as indicated: (check one box)
☐ Strict Due-on-Sale (TD 72-11-83) ☒ Creditworthy (TD 73-11-83) ☐ Assumable-Not due on sale (TD 74-11-83)
☐ _____

The promissory note shall be ~~executed~~ interest only on the basis of: payable at \$30,000.00 per quarter
~~including principal and interest at the rate of _____ % per annum. Payments shall commence _____ days from delivery of deed~~ 8 % per annum. Payments shall commence 90 days from delivery of deed and shall be due on the 15th day of each succeeding June, September, December
If not sooner paid, the balance of principal and accrued interest shall be due and payable five years from delivery of deeds and Mar
~~XXXXXX~~ Payments ☐ shall ☒ shall not be increased by _____ of estimated annual real estate taxes, and ☐ shall ☐ shall not be increased by _____ of estimated annual property insurance premium.

The loan shall also contain the following terms as indicated: If any payment is not received within 30 calendar days after its due date, a late charge of 5 % of such payment shall be due. Interest on lender disbursements under the deed of trust shall be 15 % per annum. Default interest rate shall be 15 % per annum.

Purchaser may prepay without a penalty except no penalty

~~4. FINANCING CONDITIONS AND OBLIGATIONS. (a) Loan Application(s). If Purchaser is to pay all or part of the purchase price as set forth in section 3 by obtaining a new loan or if an existing loan is not to be released at closing, Purchaser, if required by such lender, shall make written application within _____ calendar days from acceptance of this contract. Purchaser shall cooperate with Seller and lender to obtain loan approval, diligently and timely pursue same in good faith, execute all documents and furnish all information and documents required by the lender, and, subject to section 3, timely pay the costs of obtaining such loan or lender consent.~~

~~(b) Loan Approval. If Purchaser is to pay all or part of the purchase price by obtaining a new loan as specified in section 3, this contract is conditional upon lender's approval of the new loan on or before _____, 19 _____. If not so approved by said date, this contract shall terminate. If the loan is so approved, but such proceeds are not available to Purchaser as required in section 5 (Good Funds) at the time of closing, closing shall be extended one time for _____ calendar days (not to exceed (5) five). If sufficient funds are not then available, this contract shall terminate.~~

~~(c) Existing-Loan Review. If an existing loan is not to be released at closing, Seller shall provide copies of the loan documents (including note, deed of trust, modifications) to Purchaser within _____ calendar days from acceptance of this contract. This contract is conditional upon Purchaser's review and approval of the provisions of such loan documents. Purchaser consents to the provisions of such loan documents if no written objection is received by Seller or Listing Company from Purchaser within _____ calendar days from Purchaser's receipt of such documents. If the lender's approval of a transfer of the Property is required, this contract is conditional upon Purchaser's obtaining such approval without change in the terms of such loan, except as set forth in section 3. If lender's approval is not obtained on or before _____, 19 _____, this contract shall be terminated on such date. If Seller is to be released from liability under such existing loan and Purchaser does not obtain such compliance as set forth in section 3, this contract may be terminated at Seller's option.~~

~~(d) Assumption Balance. If Purchaser is to pay all or part of the purchase price by assuming an existing loan and if the actual principal balance of the existing loan at the date of closing is less than the amount in section 3 by more than \$ _____, then Purchaser may terminate this contract effective upon receipt by Seller or Listing Company of Purchaser's written notice of termination.~~

~~(e) Credit Information. If Purchaser is to pay all or part of the purchase price by executing a promissory note in favor of Seller or if an existing loan is not to be released at closing, this contract is conditional upon Seller's approval of Purchaser's financial ability and creditworthiness, which approval shall be at Seller's sole and absolute discretion. In such case: (1) Purchaser shall supply to Seller on or before 10 days from seller's acceptance ~~XXXXXX~~, at Purchaser's expense, information and documents concerning Purchaser's financial, employment and credit condition; (2) Purchaser consents that Seller may verify Purchaser's financial ability and creditworthiness; (3) any such information and documents received by Seller shall be held by Seller in confidence, and not released to others except to protect Seller's interest in this transaction; (4) if Seller does not provide written notice of Seller's disapproval to Purchaser on or before ten days from receipt of information, then Seller waives this condition. If Seller does provide written notice of disapproval to Purchaser on or before said date, this contract shall terminate.~~

5. GOOD FUNDS. All payments required at closing shall be made in funds which comply with all applicable Colorado laws.

6. NOT ASSIGNABLE. This contract shall not be assignable by Purchaser without Seller's prior written consent. Consent shall not be unreasonably withheld.

7. EVIDENCE OF TITLE. Seller shall furnish to Purchaser, at Seller's expense, either a current commitment for owner's title insurance policy in an amount equal to the purchase price or at Seller's choice, an abstract of title certified to a current date, on or before 5 days after receipt of commitment from title company. If a title insurance commitment is furnished, Purchaser may require of Seller that copies of instruments (or abstracts of instruments) listed in the schedule of exceptions (Exceptions) in the title insurance commitment also be furnished to Purchaser at Seller's expense. This requirement shall pertain only to instruments shown of record in the office of the clerk and recorder of the designated county or counties. The title insurance commitment, together with any copies or abstracts of instruments furnished pursuant to this section 7, constitute the title documents (Title Documents). Purchaser must request Seller to furnish copies or abstracts of instruments listed in the schedule of exceptions no later than _____ calendar days after Purchaser's receipt of the title insurance commitment. If Seller furnishes a title insurance commitment, Seller will have the title insurance policy delivered to Purchaser as soon as practicable after closing and pay the premium at closing.

8. TITLE. (a) Title Review. Purchaser shall have the right to inspect the Title Documents or abstract. Written notice by Purchaser of unmerchantability of title or of any other unsatisfactory title condition shown by the Title Documents or abstract shall be signed by or on behalf of Purchaser and given to Seller or Listing Company on or before 20 calendar days after Purchaser's receipt of Title Documents or abstract, or within five (5) calendar days after receipt by Purchaser of any Title Document(s) or endorsement(s) adding new Exception(s) to the title commitment together with a copy of the Title Document adding new Exception(s) to title. If Seller or Listing Company does not receive Purchaser's notice by the date(s) specified above, Purchaser shall be deemed to have accepted the condition of title as disclosed by the Title Documents as satisfactory.

(b) **Matters Not Shown by the Public Records.** Seller shall deliver to Purchaser, on or before the date set forth in section 7, true copies of all lease(s) and survey(s) in Seller's possession pertaining to the Property and shall disclose to Purchaser all easements, liens or other title matters not shown by the public records of which Seller has actual knowledge. Purchaser shall have the right to inspect the Property to determine if any third party(s) has any right in the Property not shown by the public records (such as an unrecorded easement, unrecorded lease, or boundary line discrepancy). Written notice of any unsatisfactory condition(s) disclosed by Seller or revealed by such inspection shall be signed by or on behalf of Purchaser and given to Seller or Listing Company on or before 30 days after seller's acceptance hereof. If Seller or Listing Company does not receive Purchaser's notice by said date, Purchaser shall be deemed to have accepted title subject to such rights, if any, of third parties of which Purchaser has actual knowledge.

(c) **Right to Cure.** If Seller or Listing Company receives notice of unmerchantability of title or any other unsatisfactory title condition(s) as provided in subsection (a) or (b) above, Seller shall use reasonable effort to correct said unsatisfactory title condition(s) prior to the date of closing. If Seller fails to correct said unsatisfactory title condition(s) on or before the date of closing, this contract shall then terminate, subject to section 17; provided, however, Purchaser may, by written notice received by Seller or Listing Company on or before closing, waive objection to said unsatisfactory title condition(s).

9. **DATE OF CLOSING.** The date of closing shall be March 15, 1994, or by mutual agreement at an earlier date. The hour and place of closing shall be as designated by Telluride Mountain Title Company.

10. **TRANSFER OF TITLE.** Subject to tender or payment on closing as required herein and compliance by Purchaser with the other terms and provisions hereof, Seller shall execute and deliver a good and sufficient general warranty deed to Purchaser, on closing, conveying the Property free and clear of all taxes except the general taxes for the year of closing, and except

_____ ; free and clear of all liens for special improvements installed as of the date of Purchaser's signature hereon, whether assessed or not; except distribution utility easements, including cable TV; except those matters reflected by the Title Documents accepted by Purchaser in accordance with subsection 8(a); except those rights, if any, of third parties in the Property not shown by the public records in accordance with subsection 8(b); and subject to building and zoning regulations.

11. **PAYMENT OF ENCUMBRANCES.** Any encumbrance required to be paid shall be paid at or before the time of settlement from the proceeds of this transaction or from any other source.

12. **CLOSING COSTS, DOCUMENTS AND SERVICES.** Purchaser and Seller shall pay their respective closing costs at closing, except as otherwise provided herein. Purchaser and Seller shall sign and complete all customary or required documents at or before closing. Fees for real estate closing and settlement services shall not exceed \$ 5,000.00 and shall be paid at closing by 1/2 by Purchaser and 1/2 by Seller.

13. **PRORATIONS.** General taxes for the year of closing, based on the most recent levy and the most recent assessment, rents, water and sewer charges, owner's association dues, and interest on continuing loan(s), if any, and _____ shall be prorated to date of closing.

Any sales, use and transfer tax that may accrue because of this transaction shall be paid by Purchaser.

14. **POSSESSION.** Possession of the Property shall be delivered to Purchaser as follows: delivery of deeds.

subject to the following lease(s) or tenancy(s): none.

If Seller, after closing, fails to deliver possession on the date herein specified, Seller shall be subject to eviction and shall be additionally liable to Purchaser for payment of \$ 1,000.00 per day from the date of agreed possession until possession is delivered.

15. **CONDITION OF AND DAMAGE TO PROPERTY.** The Property and Inclusions shall be conveyed in their present condition, ordinary wear and tear excepted. In the event the Property shall be damaged by fire or other casualty prior to time of closing, in an amount of not more than ten percent of the total purchase price, Seller shall be obligated to repair the same before the date of closing. In the event such damage is not repaired within said time or if the damages exceed such sum, this contract may be terminated at the option of Purchaser. Should Purchaser elect to carry out this contract despite such damage, Purchaser shall be entitled to credit for all the insurance proceeds resulting from such damage to the Property and Inclusions, not exceeding, however, the total purchase price. Should any Inclusion(s) or service(s) fail or be damaged between the date of this contract and the date of closing or the date of possession, whichever shall be earlier, then Seller shall be liable for the repair or replacement of such Inclusion(s) or service(s) with a unit of similar size, age and quality, or an equivalent credit, less any insurance proceeds received by Purchaser covering such repair or replacement. The risk of loss for any damage to growing crops, by fire or other casualty, shall be borne by the party entitled to the growing crops, if any, as provided in section 2 and such party shall be entitled to such insurance proceeds or benefits for the growing crops, if any.

16. **TIME OF ESSENCE/REMEDIES.** Time is of the essence hereof. If any note or check received as earnest money hereunder or any other payment due hereunder is not paid, honored or tendered when due, or if any other obligation hereunder is not performed or waived as herein provided, there shall be the following remedies:

(a) **IF PURCHASER IS IN DEFAULT:**

IF THE BOX IN SUBSECTION (1) IS CHECKED, SELLER'S REMEDIES SHALL BE AS SET FORTH IN SUBSECTION (1) [SPECIFIC PERFORMANCE]. IF SAID BOX IS NOT CHECKED, SELLER'S REMEDIES SHALL BE AS SET FORTH IN SUBSECTION (2) [LIQUIDATED DAMAGES].

☐ (1) **Specific Performance.**

Seller may elect to treat this contract as cancelled, in which case all payments and things of value received hereunder shall be forfeited and retained on behalf of Seller, and Seller may recover such damages as may be proper, or Seller may elect to treat this contract as being in full force and effect and Seller shall have the right to specific performance or damages, or both.

(2) **Liquidated Damages.**

All payments and things of value received hereunder shall be forfeited by Purchaser and retained on behalf of Seller and both parties shall thereafter be released from all obligations hereunder. It is agreed that such payments and things of value are LIQUIDATED DAMAGES and (except as provided in subsection (c)) are SELLER'S SOLE AND ONLY REMEDY for Purchaser's failure to perform the obligations of this contract. Seller expressly waives the remedies of specific performance and additional damages.

(b) **IF SELLER IS IN DEFAULT:**

Purchaser may elect to treat this contract as cancelled, in which case all payments and things of value received hereunder shall be returned and Purchaser may recover such damages as may be proper, or Purchaser may elect to treat this contract as being in full force and effect and Purchaser shall have the right to specific performance or damages, or both.

(c) **COSTS AND EXPENSES.**

Anything to the contrary herein notwithstanding, in the event of any litigation or arbitration arising out of this contract, the court shall award to the prevailing party all reasonable costs and expense, including attorney fees.

17. **EARNEST MONEY DISPUTE.** Notwithstanding any termination of this contract, Purchaser and Seller agree that, in the event of any controversy regarding the earnest money and things of value held by broker or closing agent, unless mutual written instructions are received by the holder of the earnest money and things of value, broker or closing agent shall not be required to take any action but may await any proceeding, or at broker's or closing agent's option and sole discretion, may interplead all parties and deposit any moneys or things of value into a court of competent jurisdiction and shall recover court costs and reasonable attorney fees.

18. INSPECTION. Purchaser or any designee, shall have the right to have inspection(s) of the physical condition of the Property and Inclusions, at Purchaser's expense. If written notice of any unsatisfactory condition, signed by Purchaser, is not received by Seller or Listing Company on or before March 1, 19 94, the physical condition of the Property and Inclusions shall be deemed to be satisfactory to Purchaser. If written notice of any unsatisfactory condition, signed by Purchaser, is given to Seller or Listing Company as set forth above in this section, and if Purchaser and Seller have not reached a written agreement in settlement thereof on or before March 15, 19 94, this contract shall then terminate, subject to section 17. Purchaser is responsible and shall pay for any damage which occurs to the Property and Inclusions as a result of such inspection.

19. AGENCY DISCLOSURE. The listing broker, None and its sales agents (Listing Company) represent Seller. The Listing Company owes duties of trust, loyalty and confidence to Seller only. While the Listing Company has a duty to treat Purchaser honestly, the Listing Company is Seller's agent and is acting on behalf of Seller and not Purchaser. BY SIGNING BELOW, PURCHASER ACKNOWLEDGES PRIOR TIMELY NOTICE BY LISTING OR SELLING COMPANY THAT LISTING COMPANY IS SELLER'S AGENT.

The selling broker, Richard M. Theile, Broker

and its sales agents (Selling Company) represent: [IF THE BOX IN SUBSECTION (b) IS CHECKED, SELLING COMPANY REPRESENTS PURCHASER ONLY, AS SET FORTH IN SUBSECTION (b). IF THE BOX IN SUBSECTION (b) IS NOT CHECKED, SELLING COMPANY REPRESENTS SELLER ONLY, AS SET FORTH IN SUBSECTION (a).]

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☐ (b) Purchaser. If the box is checked: The Selling Company owes duties of trust, loyalty and confidence to Purchaser only. While the Selling Company has a duty to treat Seller honestly, the Selling Company is acting on behalf of Purchaser and not Seller. SELLER AND LISTING COMPANY ACKNOWLEDGE PRIOR TIMELY NOTICE BY SELLING COMPANY THAT IT IS PURCHASER'S AGENT.

20. ADDITIONAL PROVISIONS:

Pursuant to Exhibit "C" attached hereto and incorporated herein by this reference.

21. RECOMMENDATION OF LEGAL COUNSEL. By signing this document, Purchaser and Seller acknowledge that the Selling Company or the Listing Company has recommended that Purchaser and Seller obtain the advice of their own legal counsel regarding examination of title and this contract.

22. TERMINATION. In the event this contract is terminated, all payments and things of value received hereunder shall be returned and the parties shall be relieved of all obligations hereunder, subject to section 17.

23. NOTICE OF ACCEPTANCE/COUNTERPARTS. If this proposal is accepted by Seller in writing and Purchaser receives notice of such acceptance on or before _____, 19 _____, this document shall become a contract between Seller and Purchaser. A copy of this document may be executed by each party, separately, and when each party has executed a copy thereof, such copies taken together shall be deemed to be a full and complete contract between the parties.

Russcor Financial, Inc. By: Robert R. Russell, President
Purchaser Date Purchaser Date
Purchaser's Address 4647 North 32nd Street, Suite 200, Phoenix, AZ 85018

[TO BE COMPLETED BY SELLER AND LISTING COMPANY]

24. ACCEPTANCE/COMMISSION. Seller accepts the above proposal this _____ day of _____, 19 _____. Seller shall pay to the Listing Company a commission of 7.5 % of the gross purchase price, as agreed upon between Seller and Listing Company for services in this transaction. In the event of forfeiture of payments and things of value received hereunder, such payments and things of value shall be divided between Listing Company and Seller, one-half thereof to Listing Company, but not to exceed the commission and the balance to Seller.

Rico Development Corporation Wayne Webster, President
Seller Date Seller Date
Seller's Address #7 Impala South, Athens, TX

The undersigned Selling Company acknowledges receipt of the earnest money deposit specified in section 3 and both Selling Company and Listing Company confirm the respective agency disclosure set forth in section 19.
Selling Company Richard M. Theile, Broker

By: Richard M. Theile 1/14/94
(Signature) Date
Address Box 725, Telluride, CO 81435
Listing Company

None By: _____
(Signature) Date
Address _____

at Purchaser's expense. If written notice of any unsatisfactory condition, signed by Purchaser, is not received by Seller or Listing Company on or before March 1, 1994, the physical condition of the Property and Inclusions shall be deemed to be satisfactory to Purchaser. If written notice of any unsatisfactory condition, signed by Purchaser, is given to Seller or Listing Company as set forth above in this section, and if Purchaser and Seller have not reached a written agreement in settlement thereof on or before March 15, 1994, this contract shall then terminate, subject to section 17. Purchaser is responsible and shall pay for any damage which occurs to the Property and Inclusions as a result of such inspection.

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The selling broker, Richard M. Theile, Broker

and its sales agents (Selling Company) represent: IF THE BOX IN SUBSECTION (b) IS CHECKED, SELLING COMPANY REPRESENTS PURCHASER ONLY, AS SET FORTH IN SUBSECTION (b). IF THE BOX IN SUBSECTION (b) IS NOT CHECKED, SELLING COMPANY REPRESENTS SELLER ONLY, AS SET FORTH IN SUBSECTION (a).

(a) Seller. The Selling Company owes duties of trust, loyalty and confidence to Seller only. While the Selling Company has a duty to treat Purchaser honestly, the Selling Company is Seller's agent and is acting on behalf of Seller and not Purchaser. BY SIGNING THIS NOW, PURCHASER ACKNOWLEDGES PRIOR TIMELY NOTICE BY SELLING COMPANY THAT SELLING COMPANY IS SELLER'S AGENT.

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Russcor Financial, Inc.

Purchaser

Date

By:

Robert R. Russell, President

Date

Purchaser's Address 4647 North 32nd Street, Suite 200, Phoenix, AZ 85018

(TO BE COMPLETED BY SELLER AND LISTING COMPANY)

24. ACCEPTANCE/COMMISSION. Seller accepts the above proposal this 19 day of 19. Seller shall pay to the Listing Company a commission of 7.5 % of the gross purchase price, as agreed upon between Seller and Listing Company for services in this transaction. In the event of forfeiture of payments and things of value received hereunder, such payments and things of value shall be divided between Listing Company and Seller, one-half thereof to Listing Company, but not to exceed the commission, and the balance to Seller.

Rico Development Corporation

Seller

Date

By:

Wayne Webster, President

Date

Seller's Address 87 Innals South, Athens, TX

The undersigned Selling Company acknowledges receipt of the earnest money deposit specified in section 3 and both Selling Company and Listing Company confirm the respective agency disclosures set forth in section 19.

Selling Company Richard M. Theile, Broker

By:

(Signature)

Address Box 725, Telluride, CO 81435

Date

Listing Company

None

By:

(Signature)

Address

Date

EXHIBIT "A"

Property Description:

All of the real property currently owned by Rico Development Corporation as set forth on the current commitment for title insurance excluding the following properties:

1. All of the subdivision lots commonly known as Phase II and Phase III of the Atlantic Cable Subdivision.
2. All of the St. Louis Treatment Plant Settling Ponds.
3. All of the St. Louis Tailing Pond and Heap Leach Facility.
4. All of the historic Sulfuric Acid Plant.
5. All of the Silver Creek Tailings Pile and Mill Site.
6. All of the Silver Swan Adit Drainage.
7. All of the Santa Cruz Adit Drainage and Mine Waste Pile.
8. All of the property commonly known as the Q tract and the proceeds from any sale of the Q tract.
9. Lots 31, 32 and 33, Block 20, which are under contract to Mike and Mary Hagen.

EXHIBIT "B"

SECTION 35, TOWNSHIP 41 NORTH, RANGE 11 WEST, N.M.P.M.

Lots 12, 13, 14, 15, & 16	Block 13	and buildings
Lots 3, 4, 5, 6	Block 1	and buildings
Lots 17, 18, 19, 20	Block 1	no buildings
Lots 36, 37, 38	Block 1	septic system
Lots 9, 10, 11, 12	Block 2	no building
Lots 31 through 40	Block 14	1 house
Lots 21 through 28	Block 14	1 house and assay building
Lots 39 & 40	Block 6	no building
Lots 39 & 40	Block 4	no building

Lot 002 Original Atlantic Cable Subdivision

~~Approximately four acres commonly known as the "Indian House" property.~~ NO W.W.

All lots currently zoned R2

Exhibit "C"
(Additional Provisions to Vacant Land/Farm and Ranch
Contract to Buy and Sell Real Estate)

1. The Promissory Note and first lien Deed of Trust executed by Purchaser as provided for herein shall be secured by the property and lots described in Exhibit "B" attached hereto and hereby incorporated herein by this reference. The deed of trust shall contain partial release provisions for each property as follows: The first \$10,000.00 of net proceeds on the R-2 lots is to be paid to Seller, the remaining proceeds are to go to the Purchaser. The first \$20,000.00 of the net proceeds from sales of the 42 remaining lots on Exhibit "B" is to be paid to Seller, the remaining proceeds are to go to Purchaser. The exceptions to this are the Burley Building where the release will be \$360,000.00 and the Cafe and Theater where the release will be \$180,000.00 for each of those two properties.

2. This contract is subject to a 30 day legal review period by Purchaser's attorney and Seller shall accept any reasonable revisions offered by said attorney so long as the intent of the parties is not substantially altered.

3. Purchaser reserves the right up until closing at it's sole and absolute discretion to exclude from this contract any of the property, including, but not limited to the property described in Exhibit A herein for any reason whatsoever. Any such exclusion, however, shall not reduce the contract price or alter any financial terms or other provisions of this contract.

4. Purchaser and Seller acknowledge the following disclosure that Richard M. Theile is a licensed Real Estate Broker in the State of Colorado, Stanley Foster is a licensed Real Estate Salesman in the State of Colorado and Donald Perrotta is a licensed Real Estate Broker in the state of California. It is further acknowledged and disclosed that these individuals will be principals in the transaction contemplated herein. It is further acknowledged that the above named individuals are not the agents of Rico Development Corporation and Rico Development Corporation shall not warrant or accept liability for any representations made to any party.

5. Purchaser will treat any information provided to the Purchaser by the Seller which is not already generally available to the public as confidential information and will refrain from disclosing or using any such confidential information except as is reasonable required in connection with the contract or otherwise deemed by the Purchaser in good faith judgment required by law.

6. Purchaser shall have until the close of business of the first day of March 1994 to inspect the title and physical condition of the property, all leases, permits, buildings, all documents delivered to Purchaser by Seller as required by this contract and any other matters desired by Purchaser in connection with the property. If for any reason or no reason Purchaser desires to not purchase the property on or before the close of business of March 1, 1994, Purchaser shall notify Seller of such fact, this contract shall terminate and, Title Company shall promptly return Purchaser's earnest money deposit and all accrued interest to Purchaser. If Purchaser does not notify Seller on or before March 1, 1994 that Purchaser does not desire to purchase the property, then Purchaser shall be deemed to have waved this contingency, the Title Company shall promptly

release to Seller the money held in escrow as earnest money and this contract shall continue in full force and effect.

7. The property purchase as herein provided shall include all appurtenant surface and subsurface mineral rights.

8. Purchaser is to pay Seller's current bill at Montezuma-Dolores Title Co. in the amount of approximately \$5,000.00.

9. This Agreement may be executed in one or more counterparts, either the original or by telefax, all of which taken together shall constitute one and the same instrument. This Agreement shall become binding when counterparts signed by the Corporation and each of the shareholders have been delivered or transmitted by telefax to Buyer and a counterpart signed by Buyer has been delivered or transmitted by telefax to Wayne E. Webster, who may act as agent for the Corporation and both of the shareholders in accepting delivery of such counterpart.

TELLURIDE MOUNTAIN TITLE COMPANY

335 W. Colorado Avenue
P.O. Box 1440
Telluride, Colorado 81435
(303) 728-3025
Fax Number (303) 728-6416

February 08, 1994

ORDER NO. 94010047

RE: TRACT IN DELORES COUNTY
RICO DEV/RUSSCOR

Russcor Financial, Inc.
4647 North 32nd Street
Suite 200
Phoenix, AZ 85018

In connection with the above Order No. we are transmitting the following:

UPDATED Title Commitment	<u>X</u>
Endorsement	___
Policy	___
Invoice	___
Improvement Location Certificate	___

THANK YOU for your "Title Insurance and Escrow Closing" business! Please call Deb Denesik if you have any questions.

VIA FAX: _____ PAGES TO FAX # _____
HARD COPY TO FOLLOW: IN MAIL _____ FEDERAL EXPRESS _____

1 cc: Rico Development Corporation, #7 Impala South
Athens, TX 75751

1 cc: Mike Theille Real Estate

1 cc: Telluride Mountain Title Company

SCHEDULE A

ORDER NUMBER: 94010047

COMMITMENT NUMBER: 1/A

1. EFFECTIVE DATE: January 19, 1994 at 7:45 A.M.

2. POLICY OR POLICIES TO BE ISSUED: AMOUNT OF INSURANCE

A. ALTA OWNER'S POLICY \$ 3,260,000.00
PROPOSED INSURED: RUSSCOR FINANCIAL,
INC., AND/OR ITS ASSIGNS

B. ALTA LOAN POLICY \$
PROPOSED, INSURED:

C. ALTA LOAN POLICY \$
PROPOSED INSURED:

D. \$

3. THE ESTATE OR INTEREST IN THE LAND DESCRIBED OR REFERRED TO IN
THIS COMMITMENT AND COVERED HEREIN IS FEE SIMPLE AND TITLE THERETO
IS AT THE EFFECTIVE DATE HEREOF VESTED IN:

RICO DEVELOPMENT CORPORATION, A COLORADO CORPORATION

4. THE LAND REFERRED TO IN THIS COMMITMENT IS DESCRIBED AS FOLLOWS:

SEE ATTACHED LEGAL

PURPORTED ADDRESS: TRACT IN DELORES COUNTY

OWNERS: \$ 6,170.00

Policy or Policies committed to be issued hereunder are ALTA
Owner and/or Loan Policy - (10-17-92)

TELLURIDE MOUNTAIN
TITLE COMPANY
335 W. Colorado Ave.
P.O. Box 1440
Telluride, Colorado 81435
(303) 728-3025

MARTIN S. BREGMAN
AUTHORIZED
COUNTERSIGNATURE

SCHEDULE A

PROPERTY DESCRIPTION

ORDER NO: 94010047

The following described property, all located within the Rico Townsite, County of Dolores, State of Colorado, according to the plat and other documents of record in the Office of the Clerk and Recorder of Dolores County:

Block 1	Lots 3, 4, 5, 6, 17, 18, 19, 20, 36, 37, 38, 39 and 40
Block 2	Lots 9, 10, 11 and 12
Block 4	Lots 39 and 40
Block 6	Lots 39 and 40
Block 9	Lots 19, 20, 21, 22 and 23
Block 10	Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39 and 40
Block 11	Part of Lots 2, 3, 4, Lots 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29 Part of Lots 32, 33 and 34
Block 12	Lots 23, 24, 25, 26, 31, 32, 33, 34, 35 and 36
Block 13	Lots 12, 13, 14, 15 and 16
Block 14	Lots 21, 22, 23, 24, 25, 26, 27, 28, North 20' of Lot 31 Lots 32, 33, 34, 35, 36, 37, 38, 39 and 40
Block 15	Lots 33 and 34
Block 19	Lots 1, 2, 3, 7, 8, 9, 11, 12, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39 and 40
Block 20	Lots 9, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32 and 33
Block 24	Lots 21, 22, 23, 24, 25, 26, 27, 28, 29 and 30
Block 25	Lots 1, 2, 3, 4, 7, 8, 9, 10, 11, 12, 13, 14

SCHEDULE A

PROPERTY DESCRIPTION CONTINUED

ORDER NO. 94010047

PROPERTY DESCRIPTION CONTINUED

15, 16, 17, 18, 19, 20, 35, 36, 37, 38,
39 and 40

Block 28

Lots 1, 2, 3, 4 and the West 80' of Lots 5,
6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16,
17, 18, 19 and 20

Block 29

Lots 1, 2, 3, 4 and 5

Block 30

Lots 3, 4, 5 and 6

Block 38

Lots 21, 22, 23, 24, 25, 26, 27, 28, 29, 30,
31, 32, 33, 34, 35, 36, 37, 38, 39 and
40

Block 39

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12,
13, 14, 15, 16, 17, 18, 19, 20, 28, 29,
30, 31, 32, 33, 34, 35, 36, 37, 38, 39
and 40Block A, Piedmont
Addition, Town of
Rico

Lot 38

Tracts B, C and D as described in United States Patent for the
Townsite of Rico, recorded December 15, 1891 in Book 17 at page
394 in the office of the Clerk and Recorder, EXCEPT all that
part of Tract C Conveyed in Book 57 at page 374.

AND

A tract of land referred to as "Max Boehmer Tract" located
within Townsite of Rico, more particularly described as follows:
Beginning at Corner No. 1, identical with Corner 31 of the
Townsite of Rico, whence an Aspen tree blazed and marked B.T.
Corner 31 T.R. bears North 43 degrees 58 minutes East 45.6 feet
distant; thence South 10 degrees West along West line of the
Townsite of Rico 625 feet to Corner No. 2; thence North 51
degrees 20 minutes East 511 feet to Corner No. 3 on the West
bank of Dolores River, general course, North 10 degrees 20
minutes East, 629 3/10 feet to Corner No. 4, being the same as
Corner No. 32 of the Townsite of Rico, also Corner No. 4 of the
Burchard Lode, whence a Cottonwood tree 18" in diameter blazed
and marked B.T. Corner No. 32 T.R. bears South 82 degrees 45
minutes West 5 feet distant; thence South 51 degrees 20 minutes
West 516.7 feet to Corner No. 1, the place of beginning,

AND

SCHEDULE A
PROPERTY DESCRIPTION CONTINUED

ORDER NO. 94010047

A tract of land referred to as "Rico Smelting Co. Tract" located within Townsite of Rico more particularly described as follows: Commencing at the Southeast Corner of tract conveyed to J.M. Acker by Mayor of Rico in Deed recorded in Book 10 at page 293; thence South 10 degrees West 270 feet; thence North 80 degrees West 400 feet; thence North 10 degrees East 270 feet; thence South 80 degrees East 400 feet to place of beginning,

AND

A tract of land referred to as "A.E. Arms Tract" located within Townsite of Rico more particularly described as follows: Beginning at a point on line 30-31 of the 2nd amended Survey of the Town of Rico South 10 degrees West 890 feet from Corner No. 31; thence South 10 degrees West 240 feet to a point; thence South 80 degrees East 724 feet to the West line of the Rio Grande Southern Railroad right-of-way; thence North 8 degrees 30 minutes East 240.1 feet; thence North 80 degrees West 717.8 feet to the place of beginning.

AND

A tract of land referred to as "F.G. Day Tract" located within Townsite of Rico more particularly described as follows: Beginning at a point on line 30-31 of the 2nd amended Survey of the Town of Rico at South 10 degrees West 1130 feet from Corner No. 31; thence South 10 degrees West 240 feet to a point; thence South 80 degrees East 717.8 feet to the West line of the Rio Grande Southern Railroad right-of-way; thence North 8 degrees 30 minutes East 240.1 feet to a point; thence North 80 degrees West 724 feet to the place of beginning.

AND

A tract of land located within Townsite of Rico bounded by the Winkfield Tract on the North, the Pasadena Reduction Company Tract and Rio Grande Southern Railroad Company right-of-way on the East, the A.E. Arms Tract on the South and the West boundary Second Amended Survey of Rico Townsite and Max Boehmer Tract on the West more particularly described as follows: Beginning at a point on the West Boundary of Second Amended Survey Rico Townsite, which is also the Northwest Corner of Tract deeded to A.E. Arms March 13, 1902; thence North 10 degrees East 265 feet to a point on West line Second Amended Survey Rico Townsite which is also the Southwest Corner of Tract deeded to Max Boehmer October 10, 1892; thence North 51 degrees 20 minutes East 511 feet to a point which is also the Southeast Corner Max Boehmer tract; thence North 10 degrees 20 minutes East 629.3 feet to a point which is also Corner No. 32 Amended Survey Rico

SCHEDULE A
PROPERTY DESCRIPTION CONTINUED

ORDER NO. 94010047

Townsite; thence North 18 degrees 40 minutes West 178.3 feet to a point on line 32-33 Second Amended Survey Rico Townsite which is also on the South boundary of Winkfield Tract (west of the Dolores River); thence South 80 degrees East 399.5 feet to a point which is also the Northwest corner of Tract deeded to Pasadena Reduction Company, July 15, 1884; thence South 40 degrees 04 minutes West 401.7 feet to a point which is also the West corner of Pasadena Reduction Company Tract; thence South 24 degrees 30 minutes East 350 feet to a point which is also the Southwest Corner Pasadena Reduction Co. tract; thence South 5 degrees 18 minutes West 801 feet to a point which is also the Northeast Corner A.E. Arms Tract; thence North 80 degrees West 717.8 feet to the place of beginning. Also described as "Pasadena Mill Property" and "North A.E. Arms Tract"

AND

A tract of land located in Southwest corner of Townsite of Rico bounded by F.G. Day Tract, West and South boundaries of Rico Townsite and Rio Grande Southern Railroad right-of-way more particularly described as follows:

Beginning at a point on line 30-31 of the Second Amended Survey of the Rico Townsite which bears South 10 degrees West 1370 feet from Corner No. 31 identical with Southwest corner of Tract deeded to F.G. Day et al as recorded in Book 33 at page 10 of the records of the Office of the County Clerk and Recorder of Dolores County, Colorado; thence South 10 degrees West 318.4 feet to a point which is also Corner No. 30 of said Survey of Rico Townsite; thence South 80 degrees East 724 feet to a point on line 29-30 of said survey of Rico Townsite; thence North 10 degrees East 318.4 feet; thence North 80 degrees West 717.8 feet (called 724 feet in Deed) to the place of beginning. Also described as "South A.E. Arms Tract".

AND

A tract of land referred to as "Graveyard Tract" located within the Townsite of Rico more particularly described as follows: Beginning at Corner No. 1 whence the corner common to Sections 35 and 36, Township 40 North, Range 11 West, and Sections 1 and 2, Township 39 North, Range 11 West, N.M.P.M., bears South 80 degrees 50 minutes East 225 feet distant and Corner No. 21 of Rico Townsite bears North 68 degrees 20 minutes East 1123.7 feet distant and Northeast Corner of Rico Graveyard bears South 20 degrees 57 minutes East 341.37 feet distant and Corner No. 3 of Little Ada Claim bears South 68 degrees 20 minutes West 59.54 feet distant; thence North 68 degrees 20 minutes West 608.56 feet along the southerly side line of the Little Ada Mining Claim to Corner No. 2, a point 668.1 feet North 68 degrees 20

SCHEDULE A
PROPERTY DESCRIPTION CONTINUED

ORDER NO. 94010047

minutes East from Corner No. 3 of Little Ada Claim whence Corner No. 2 of N. & M. Mining Claim and Corner No. 28 of Rico

Townsite bears South 2 degrees 10 minutes West 99.50 feet distant and Northeast Corner of Rico Graveyard bears South 39 degrees 58 minutes West 716.22 feet distant; thence South 2 degrees 10 minutes West 99.50 feet to Corner No. 2 of the N. & M. Mining claim and Corner No. 28 of Rico Townsite; thence 793.86 feet to Corner No. 3 identical with Corner No. 29 of Rico Townsite; thence North 80 degrees West 466.10 feet to Corner No. 4 at intersection of south end line of Rico Townsite and East Side line of Rico Graveyard; thence North 10 degrees East 165.8 feet to Corner No. 5 identical with Northeast Corner of Rico Graveyard; thence North 80 degrees West 160 feet to Corner No. 6 identical with Northwest Corner of Rico Graveyard, whence Corner No. 3 of Little Ada Claim bears North 0 degrees 36 minutes West 275.02 feet distant; thence North 10 degrees East 301.53 feet to Corner No. 1, the place of beginning.

AND

A tract of land referred to as "Warner K. Patrick Tract" located within Townsite of Rico more particularly described as follows: Beginning at a point in line 1-2 of said Rico Townsite whence Corner No. 1 of said townsite bears North 10 degrees East 151.4 feet; thence South 10 degrees West 374.3 feet along said line 1-2 to a point; thence South 63 degrees 16 minutes West 404.1 feet to Corner No. 1 of Eighty-Eight (88) Lode; thence North 10 degrees East 374.3 feet to Corner No. 6 of Eighty-Eight (88) Lode; thence north 63 degrees 16 minutes East 404.1 feet to place of beginning.

AND

A tract of land referred to as "Group Tract" located within Townsite of Rico more particularly described as follows: Beginning at the Northeast Corner on line 16-17 in the Townsite of Rico; thence South 10 degrees West 676 feet to the Southeast corner which is also Corner No. 17 of Rico Townsite; thence West 1021.8 feet to the southwest corner, a post in line 1-2 of the Pasadena Reduction Company Tract; thence North 1 degrees 52 minutes West 1052.6 feet to Northeast Corner of J.M. Acker or Winkfield claim; thence North 4 degrees 3 minutes West 100 feet to the Northwest corner, a post, thence North 87 degrees 54 minutes East 153.8 feet to a post in the center of River Street; thence South 2 degrees 6 minutes East 350 feet along the center line of River Street to a post; thence South 87 degrees 54 minutes West 30 feet to a post on the west line of River Street; thence South 2 degrees 6 minutes East 600 feet along the West line of River Street to a post; thence North 87 degrees 54

SCHEDULE A

PROPERTY DESCRIPTION CONTINUED

ORDER NO. 94010047

minutes East 476 feet to the Southeast Corner of Block 38;
thence North 2 degrees 6 minutes West 560 feet to the Southeast
Corner of Lot 21, Block 10; thence North 87 degrees 54 minutes
East 116 feet to the Southeast Corner of Block 10; thence North
2 degrees 6 minutes West 54 feet to a post; thence South 68
degrees 42 minutes East 486.1 feet to the place of beginning.

AND

A tract of land referred to as "Roys Tract" located within
Townsite of Rico more particularly described as follows:
Beginning at the Southeast corner of tract being conveyed whence
the Southeast Corner of Block 27 is North 33 degrees 31 minutes
46 seconds East 213.8 feet and Northeast Corner of Tremble
Tract is North 81 degrees 11 minutes West 18.4 feet; thence
North 1 degrees 52 minutes West 918.7 feet to Northeast Corner
(var. 12 degrees 42 minutes East); thence South 88 degrees 8
minutes West 628.6 feet to Northwest Corner (var. 13 degrees 55
minutes East); thence South 1 degrees 52 minutes East 222.5 feet
to West angle corner (var. 13 degrees 15 minutes East); thence
South 27 degrees 39 minutes East 705.8 feet to Southwest Corner;
thence South 81 degrees 11 minutes East 327.3 feet to Southeast
Corner, the place of beginning.

AND

A tract of land referred to as "Tremble Tract" located within
Townsite of Rico more particularly described as follows:
Beginning at Southeast Corner of Block 27 (var. 13 degrees 45
minutes East), whence Northeast Corner of same is North 1
degrees 55 minutes West; thence South 37 degrees 50 minutes 37
seconds West 222.2 feet to Northeast Corner of tract being
conveyed; thence South 4 degrees 3 minutes East 688 feet to
Southeast Corner; thence North 81 degrees 11 minutes West 253
feet to Southwest Corner; thence North 4 degrees 3 minutes West
688 feet to Northwest Corner; thence South 81 degrees 11 minutes
East 253 feet to Northeast Corner, the place of beginning.

AND

A tract of land referred to as "Winkfield Tract East of River"
located within Townsite of Rico more particularly described as
follows:
Beginning at the Northeast corner whence the Southeast corner of
Block 27 bears North 5 degrees 49 minutes East 866 feet; thence
North 88 degrees 11 minutes West 253 feet to Corner No. 2;
thence North 27 degrees 17 minutes West 481 feet to Corner No.
3; thence South 22 degrees 12 minutes East 462.1 feet to Corner
No. 4; thence South 5 degrees East 200 feet to Corner No. 5;

SCHEDULE A
PROPERTY DESCRIPTION CONTINUED

ORDER NO. 94010047

thence South 49 degrees 10 minutes West 451 feet to Corner No. 6; thence South 80 degrees East 652 feet to Corner No. 7; thence North 1 degrees 52 minutes West 600 feet to Corner No. 1, the place of beginning, all lying East of the Dolores River.

AND

A tract of land located within Townsite of Rico bounded as follows:

On the North by the South line of Blocks 12 and 25 and the same line produced to a point 300 feet from, and on the West side of centerline of Rio Grande Southern Railroad as constructed; on the East by Mantz Avenue and Lots 1 to 14, inclusive, of Block 28; on the South by a parcel of land known as Roys Tract; and on the West by a line drawn on the West side 300 feet from and parallel to the centerline of the Rio Grande Southern Railroad as constructed; EXCEPT all that portion conveyed in Deed recorded in Book 197 at page 351. Also described as R.G.S. North Tract. Tract A is included in this description.

AND

A tract of land located within Townsite of Rico bounded as follows:

On the North by a tract of land known as Roys Tract; on the East by a tract of land known as Tremble Tract; on the South by a tract of land known as Winkfield Tract; and on the West by a line drawn on the West side 100 feet from and parallel to centerline of Rio Grande Southern Railroad as constructed. Also described as R.G.S. Tract South.

AND

A tract of land located within Townsite of Rico described as follows:

A strip of land 50 feet wide on each side of center of wye of Rio Grande Southern Railroad as constructed and all land between the legs of said wye as constructed and extended through that part of Winkfield Tract West of a line 100 feet West of and parallel to the main tract of the Rio Grande Southern Railroad as constructed.

AND

The abandoned Rio Grande Southern Railroad Right-of-way extending through the Townsite of Rico.

AND

SCHEDULE A

PROPERTY DESCRIPTION CONTINUED

ORDER NO. 94010047

A tract of land at the East End of Mantz Avenue in Rico Townsite, also being within the NW/4 of Section 36, Township 40 North, Range 11 West, N.M.P.M., being more particularly described as follows:

Beginning at a point on the South line of Block 29, Rico

Townsite, also being within the NW/4 of Section 36, Township 40 North, Range 11 West, N.M.P.M., from which point the USLM#1 bears North 13 degrees 56 minutes 45 seconds East a distance of 959.95 feet; thence South 87 degrees 53 minutes 26 seconds West a distance of 192.50 feet along the south line of said Block 29; thence South 02 degrees 06 minutes 34 seconds East a distance of 80.00 feet to the Northwest corner of Block 31; thence North 87 degrees 53 minutes 26 seconds East a distance of 175.44 feet along the South line of Mantz Avenue; thence North 10 degrees 00 minutes 00 seconds East a distance of 81.82 feet to the point of beginning.

AND

A tract of land in Rico Townsite, also being within the NW/4 of Section 36, Township 40 North, Range 11 West, N.M.P.M., being more particularly described as follows:

Beginning at the Northeast Corner of Block 28, Rico Townsite, also being within the NW/4 of Section 36, Township 40 North, Range 11 West, N.M.P.M.; thence North 02 degrees 06 minutes 34 seconds West a distance of 80 feet to the Southeast Corner of Block 12; thence South 87 degrees 53 minutes 26 seconds West a distance of 100.00 feet to the Southwest Corner of Lot 20, Block 12; thence South 02 degrees 06 minutes 34 seconds East a distance of 80.00 feet to the Northwest Corner of Lot 1, Block 28; thence North 87 degrees 53 minutes 26 seconds East a distance of 100.00 feet to the point of beginning.

SCHEDULE A

PROPERTY DESCRIPTION

ORDER NO: 94010047A

THE FOLLOWING NAMED PATENTED LODGE, PLACER AND MILLSITE MINING CLAIMS LOCATED IN THE RICO MINING DISTRICT (ALSO KNOWN AS THE PIONEER MINING DISTRICT), DOLORES COUNTY, STATE OF COLORADO, THE UNITED STATES PATENT NUMBERS AND THE UNITED STATES MINERAL SURVEY NUMBERS OF WHICH ARE, AND THE PATENT OF WHICH IS FILED IN THE REAL PROPERTY RECORDS OF THE CLERK AND RECORDER OF DOLORES COUNTY, COLORADO, AS FOLLOWS:

CLAIM NAME	PATENT NO.	MINERAL SURVEY NO.
A.B.G.	20385	6726
AETNA	11399	1956
AETNA	21734	6796
IMP	21734	6796
SAW TOOTH	21734	6796
UTE	21734	6796
ALLEGHANY	9588	1255
ALTA (75% interest)	19105	6191
APEX	29042	11583A
ARGENTINE	37834	15233
JAMES G. BLAINE	37834	15233
CASHIER	37834	15233
WORLDS FAIR	37834	15233
HUMBOLDT	37834	15233
ASPEN	26020	6512
LAST CHANCE	26020	6512
ATLANTIC CABLE	8072	1136

EXCEPT all that part platted into Atlantic Cable Subdivision and a portion of Lots 9, 28, 31 and 32, Block 20, Town of Rico, and that portion conveyed in Book 57 at page 325.

AVALANCHE	10488	1682
AZTEC MILL SITE	10201	367B
BALD EAGLE	28874	10122
CALEDONIA	28874	10122
LITTLE JOHNNY	28874	10122
BED ROCK	28253	8030
BELL	28159	5911
BERTHA S.	12118	1955A
BIG BLUE	23558	7365
CROWN POINT	23558	7365
BARNUM	23558	7365
BIG STRIKE (50% interest)	23428	7601
DENVER (50% interest)	23428	7601
INDEPENDENT (50% interest)	23428	7601
BLACK CHIEF	10485	1649
BLACK CLOUD	24538	8098

SCHEDULE A
PROPERTY DESCRIPTION CONTINUED

ORDER NO. 94010047A

PROPERTY DESCRIPTION CONTINUED

PEWTER DOLLAR	24538	8098
BLACK GEORGE	14477	2485
BLACK HAWK	12183	2060
BLACK NIGHT	26510	8135
BRITTLE SILVER	36682	7458
BUCKEYE & MAC	24156	7894

described as: Beginning at Corner No. 1 of the Buckeye Lode, which corner is common with Corner No. 1 of the Mac Lode, whence the West Quarter Corner of Section 23, Township 40 North, Range 11 West, N.M.P.M., bears North 54 degrees 48 minutes West 1784.2 feet; thence North 45 degrees East 300.0 feet to Corner No. 2 of the Buckeye Lode; thence South 45 degrees East 248.58 feet to the 1/6 Southeast corner of the Buckeye Lode; thence South 45 degrees West 300.0 feet to the Southwest Corner of the Buckeye Lode, which corner is common with the 1/6 Southeast Corner of the Mac Lode; thence South 45 degrees West 300.0 feet to the 1/6 Southwest Corner of the Mac Lode; thence North 45 degrees West 248.58 feet to Corner No. 4 of the Mac lode; thence North 45 degrees East 300.00 feet to Corner No. 1 of the Mac Lode, the point of beginning:

EUEMLER	1178832	20738
BULLION	23279	7599
BURCHARD	27326	8070
HARDSCRABBLE	27326	8070
LITTLE MAGGIE	27326	8070
C.H.C. (15/16 INTEREST)	9213	1040
C.S.H.H.	19757	6286
C.V.G.	20386	6725
CASELTON	1179249	20740
C.H.R.	1179249	20740
SLIDE	1179249	20740
LITTLE JACK HORNER	1179249	20740
SLIDE TOP	1179249	20740
TIMBERLINE	1179249	20740
TOM THUMB	1179249	20740
CATALPA (1/2 INTEREST)	8071	918
CATSKILL	21923	7062
CEREBUS	646888	19665
X-RAY	646888	19665
LITTLE CASPER	646888	19665
GOLIATH	646888	19665
CHESTNUT	6588	435
CLAN CAMPBELL	16318	1807
COBBLER	17663	5274
COLUMBIA MILLSITE	10202	365B

EXCEPT all that portion conveyed in Deed recorded in Book 57 at page 327.

CONFIDENCE (60% Interest)	9722	1447
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SCHEDULE A
PROPERTY DESCRIPTION CONTINUED

ORDER NO. 94010047A

CONNECTING LINK	22442	7310
CONTACT	20780	6895
CONFIDENCE	20780	6895
CORNUCOPIA	32435	11667
CREBEC	18911	6130
CROSS	7927	940
D. AND B.B.	25142	8539
D.P.	14344	1980
DAYTON	23427	2540
DAYTON NO. 2	33881	11636
DUDE	22064	7049
DUDESS	22064	7049
DURANGO	9254	1441
EBY	24278	7066
ECLIPSE (2/3 interest)	23114	7289
EIGHTY-EIGHT (88)	22232	7348
EXCEPT all that part included in the tract known as Warren K. Patrick Tract lying within the Townsite of Rico.		
ELLA D.	19106	5659
ELLIOTT	9764	1536A
ELLIOTT MILLSITE	9764	1536B
ENTERPRISE	28422	5916
ETHELENA (245/256 INTEREST)	18765	6136
EUREKA	11817	1880
EUREKA	28924	6285
EVENING CALL	29041	8029
EVENING STAR	26956	7565
CONTENTION NO. 2	26956	7565
EXCELSIOR	26905	8141
EXCELSIOR NO. 2	26905	8141
EXCELSIOR	9668	1451A
EXCELSIOR MILLSITE	9668	1451B
EXCHEQUER	17909	5132
PREMIER	17909	5132
BOURBON	17909	5132
FALCON	12279	2151
FLORENCE	9667	1452A
FLORENCE MILLSITE	9667	1452B
FRACTION	30807	11814
FRANKLIN (3/4 interest)	7366	564
GEM OF BEAUTY	9663	1164
GEN. O. O. HOWARD	16680	2478
GENERAL LOGAN	16416	2476
GENERAL SHERIDAN	14426	2479
GENERAL SHERMAN	16417	2477
GERTIE	9508	781
GIPSY	14476	2499
GOLDEN AGE	34279	5956
GOLDEN FLEECE	14294	2261

SCHEDULE A
PROPERTY DESCRIPTION CONTINUED

ORDER NO. 94010047A

GRAND VIEW	6761	383
GROUP MILLSITE	29042	115838
H.B. (2/3 INTEREST)	22008	7013
E.R.G. (2/3 INTEREST)	22008	7013
H.C.P.	23635	7548
HALF LOAF	28486	8017
HIGHLAND CHIEF	28486	8017
LOWLAND CHIEF	28486	8017
LITTLE LULU	28486	8017
LITTLE GEORGE	28486	8017
SHEMOCTON	28486	8017
NANCY HANKS	28486	8017
LITTLE GEORGE EXTENSION	28486	8017
G.L.P.	28486	8017
HAL POINTER	28486	8017
HARVEY	9129	914
HELEN C.	29929	7977
HIWATHA	28323	6393
HILLSIDE	23559	7994
HILLSIDE NO. 2	23559	7994
HOMESTAKE & LITTLE CORA		
CONSOLIDATED PLACER	14903	410
HONDURAS (3/4 interest)	24157	7843
HOPE	7929	939
INGERSOLL	11224	413
IRON CAP	14897	1428
IRON ROD	26509	8140
ISABELLE	12321	2039
KEARNEY	17744	5133
KITCHEN	28322	5917
LAST CHANCE	1060874	20388
LAST CHANCE	1111573	20567
LAST CHANCE	27745	8622
LAURA	21317	5913
LEAP YEAR	18985	6105
LELIA DAVIS	9765	1256
LILLIE BERNARD	20177	6406
LITTLE CARRIE	35680	6960
LITTLE MAGGIE	10810	1211
LONE TREE	29858	12303
LOOKOUT	10462	1683
LOTA	19252	6154
LOTTIE	26323	8223
LUCY	12933	1456
MAID OF AUSTRALIA	14553	1587
MAJOR	6494	384
MAMMOTH	1107369	20500
MARIQUITA	9666	1450
MARY	19532	6205

SCHEDULE A
PROPERTY DESCRIPTION CONTINUED

ORDER NO. 94010047A

MATCHLESS	21733	6739
MC INTIRE	29857	12302
MELVINA	3551	620
MERRIMAC	8170	926
MERVIN	1115034	20619
MARTHA	1115034	20619
MILAN	9665	1449
MILLIE	36498	7988
MISSOURI	25321	7898
MOUNTAIN BOY	1062424	20387
MONARCH	1062424	20387
MOUNTAIN MONARCH	10013	1454
MOUNTAIN SPRING	18766	6129
N.A. COWDREY	20180	6317
NEW DISCOVERY	10483	1461A
NEW DISCOVERY MILLSITE	10483	1461B
NEW YEAR	15070	1538
NEWMAN	14757	436A
NIGHT WATCH	23277	5976
NORA LILLEY	12559	1010
ONTARIO	19246	5923
PASADENA	21176	6434
PAYMASTER	8253	997
PELICAN	6702	363
PERU	9664	1455
PHOENIX	6701	362
PIGEON (5/8 interest)	7541	665
PITTSBURGH	7928	941
PLUTO (1/2 interest)	21101	6985
PRINCETON (63/64 INTEREST)	19530	2258
REDEEMER	30264	12304
RICHMOND	19395	6338
RICO	18415	1859
ROBBER STATE	10126	1464
ROGER TICHBORNE	23828	7784
ROYAL TIGER	9859	1190
S.M.G.	29831	7986
SAM PATCH	25545	8031
HOME	25545	8031
SANTA CLARA	7519	664
SANTA CRUZ	25864	6132
SELENIDE	36681	7459
SHAMROCK	20389	5832
SILVER AGE	40574	5831
SILVER BELT	27914	8020
ROYAL TURK	27914	8020
SILVER CACHE	11225	1655
SILVER GLANCE	29519	6201

SCHEDULE A PROPERTY DESCRIPTION CONTINUED

ORDER NO. 94010047A

SILVER GLANCE NO. 2	29519	6201
SILVER GLANCE NO. 4	28485	7976
SKEPTICAL NO. 1	14292	1900
SMUGGLER	18913	5912

EXCEPT all that portion described as Lots 10 to 24, inclusive, and Lots 26 to 28, inclusive, of Block 18; Lots 11 to 12, inclusive, and Lots 30 to 31, inclusive, of Block 19; Lots 21 to 22, inclusive, and a portion of Lots 28, 31 and 32 of Block 20, Town of Rico.

SNOW FLAKE	19248	6216
SNOWFLAKE	25700	5909
SONG BIRD	28294	6392
SOUTH PARK (1/12 interest)	23203	1563
STANLEY NO. 1 (2/3 interest)	19393	6095
STANLEY NO. 3 (2/3 interest)	19393	6095
STANLEY NO. 2 (5/6 interest)	19393	6095
STAR	19756	6199
STAR ROUTE	19104	5970
STEPHANITE	37553	7980
STONY POINT	16727	1489
SUN UP	18912	5910
SWANSEA	6580	434
SYNDICATE	17739	2185A
TELEGRAPH	7457	780
THOMPSON	29115	6394
TIP TOP	9424	1248
TRAILS END	1111727	20568
DEVIDE	1111727	20568
BLACK HAWK EXTENSION	1111727	20568
TRIANGLE	1111575	20347
TRIANGLE	1178833	20739
UNCLE NED	7747	915
UNDINE	8132	1090
VESTAL	19531	6252
W. L. STEPHENS	22919	7017
WABASH	7492	617
WEDGE	1111574	20348
WEIMAR	20178	6513
WELLINGTON	14343	2212
WIDE AWAKE	19113	366
YANKY BOY	21107	6969
YELLOW JACKET	6703	364
ZONA K.	26370	8228
ZULU	9723	1457

THE FOLLOWING DESCRIBED PATENTED FEE LANDS LOCATED IN DOLORES COUNTY, STATE OF COLORADO, WHICH ARE MORE PARTICULARLY DESCRIBED BY REFERENCE TO TOWNSHIP, RANGE AND SECTION (ALL WITH REFERENCE

SCHEDULE A
PROPERTY DESCRIPTION CONTINUED

ORDER NO. 94010047A

TO THE N.M.P.M.), AS FOLLOWS:

TOWNSHIP 41 NORTH, RANGE 10 WEST

Section 14: SW/4 NE/4

NW/4 SE/4

Section 35: SE/4 NW/4

E/2 SW/4

TOWNSHIP 40 NORTH, RANGE 10 WEST

Section 2: NE/4 NW/4

E/2 SE/4

All as described in that certain Treasurer's Deed from Treasurer of Dolores County to The Rico Argentine Mining Company, dated December 29, 1941, and recorded in the Real Property Records of Dolores County, Colorado on December 31, 1941 in Book 63 at page 79.

THE FOLLOWING DESCRIBED PATENTED FEE LANDS LOCATED IN DOLORES COUNTY, COLORADO, WHICH ARE MORE PARTICULARLY DESCRIBED BY REFERENCE TO TOWNSHIP, RANGE AND SECTION (ALL WITH REFERENCE TO THE N.M.P.M.), AS FOLLOWS:

TOWNSHIP 40 NORTH, RANGE 10 WEST

Section 20: SW/4 SE/4

Section 29: N/2 NE/4

NE/4 NW/4

All as described in that certain Treasurer's Deed from Treasurer of Dolores County to Rico Argentine Mining Company, dated and recorded in the Real Property Records of Dolores County on October 27, 1944, in Book 63 at page 103.

THE FOLLOWING PARCELS OF LAND WILL BE ADDED UPON FURTHER VERIFICATION OF OWNERSHIP BY THE COMPANY:

Pasadena Reduction Company Tract, as described in documents recorded in Book 66 at page 109, Book 57 at page 333, Book 193 at page 342, Book 233 at page 496 and 497 and in Book 238 at page 339.

Little Ada Tract North, as described in documents recorded in Book 66 at page 113, Book 193 at page 342, Book 233 at page 496 and 497 and in Book 238 at page 339.

Little Ada Tract South, as described in documents recorded in Book 66 at page 113, Book 193 at page 342, Book 233 at page 496 and 497 and in Book 238 at page 339.

SCHEDULE B - SECTION 1

ORDER NUMBER: 94010047

COMMITMENT NUMBER: 1/A

REQUIREMENTS

THE FOLLOWING ARE THE REQUIREMENTS TO BE COMPLIED WITH:

ITEM (A) PAYMENT TO OR FOR THE ACCOUNT OF THE GRANTORS OR MORTGAGORS OF THE FULL CONSIDERATION FOR THE ESTATE OR INTEREST TO BE INSURED.

ITEM (B) PROPER INSTRUMENT(S) CREATING THE ESTATE OR INTEREST TO BE INSURED MUST BE EXECUTED AND DULY FILED FOR RECORD, TO WIT:

1. Release of Deed of Trust dated June 8, 1982, executed by Atlantic Richfield Company, a Delaware corporation, to the Public Trustee of San Miguel County, to secure an indebtedness of \$124,494.30, in favor of Gerald F. Lynton and Helen F. Lynton; ASSUMPTION AGREEMENT recorded September 1, 1988 in Book 238 at page 343.
2. Release of Deed of Trust dated September 1, 1981, executed by Anaconda Company, a division of Atlantic Richfield Company, a Delaware corporation, to the Public Trustee of San Miguel County, to secure an indebtedness of \$135,000.00, in favor of Lucy Fahrion, James E. Fahrion and Robert A. Fahrion; ASSUMPTION AGREEMENT recorded September 1, 1988 in Book 238 at page 346.
3. Release of Deed of Trust dated September 1, 1988, executed by Rico Development Corporation, to the Public Trustee of San Miguel County, to secure an indebtedness of \$420,000.00, in favor of Wayne E. Webster, recorded September 1, 1988 in Book 238 at Page 349; SUBSEQUENTLY ASSIGNED to Myrna M. Webster, as to an undivided 1/2 interest, recorded July 5, 1990 in Book 246 at page 47; SUBSEQUENTLY ASSIGNED to Wayne E. Webster, as to an undivided 1/2 interest, recorded March 19, 1991 in Book 248 at page 387.
4. Release of Deed of Trust dated September 1, 1988, executed by Rico Development Corporation, to the Public Trustee of San Miguel County, to secure an indebtedness of \$420,000.00, in favor of Marion D. Sell, recorded September 1, 1988 in Book 238 at Page 355.
5. Warranty deed from Vested Owner, vesting fee simple title in purchaser.

NOTE: Duly executed Real Property Transfer Declaration, executed by either the Grantor or Grantee, to accompany the deed, pursuant to Article 14 of House Bill No. 1288 - CRS 39-14-102.

NOTE: 1993 taxes are due and owing.

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CONTINUATION SHEET

SCHEDULE B - SECTION 1

ORDER NO: 94010047

COMMITMENT NUMBER: 1/A

Pursuant to Senate Bill 91-14 (C.R.S. 10-11-122); and Senate Bill 92-143 (C.R.S. 10-11-122) Notice is hereby given that:

- a) The subject real property may be located in a special taxing district;
- b) A certificate of taxes due listing each taxing jurisdiction shall be obtained from the County Treasurer or the County Treasurer's authorized agent.
- c) Information regarding special districts and the boundaries of such districts may be obtained from the Board of County Commissioners, the County Clerk and Recorder, or the County Assessor.

FOR CLOSING INFORMATION PLEASE CALL TELLURIDE MOUNTAIN TITLE AT 728-3025. YOUR CLOSER WILL BE SHARON HELWIG-MILLER.

PLEASE MAKE ALL CHECKS PAYABLE TO TELLURIDE MOUNTAIN TITLE CO.

**SCHEDULE B - SECTION 2
EXCEPTIONS**

ORDER NUMBER: 94010047

COMMITMENT NUMBER: 1/A

THE POLICY OR POLICIES TO BE ISSUED WILL CONTAIN EXCEPTIONS TO THE FOLLOWING UNLESS THE SAME ARE DISPOSED OF TO THE SATISFACTION OF THE COMPANY:

1. RIGHTS OR CLAIMS OF PARTIES IN POSSESSION NOT SHOWN BY THE PUBLIC RECORDS.
2. EASEMENTS, OR CLAIMS OF EASEMENTS, NOT SHOWN BY THE PUBLIC RECORDS.
3. DISCREPANCIES, CONFLICTS IN BOUNDARY LINES, SHORTAGE IN AREA, ENCROACHMENTS, AND ANY FACTS WHICH A CORRECT SURVEY AND INSPECTION OF THE PREMISES WOULD DISCLOSE AND WHICH ARE NOT SHOWN BY THE PUBLIC RECORDS.
4. ANY LIEN, OR RIGHT TO A LIEN, FOR SERVICES, LABOR OR MATERIAL HERETOFORE OR HEREAFTER FURNISHED, IMPOSED BY LAW AND NOT SHOWN BY THE PUBLIC RECORDS.
5. DEFECTS, LIENS, ENCUMBRANCES, ADVERSE CLAIMS OR OTHER MATTERS, IF ANY, CREATED, FIRST APPEARING IN THE PUBLIC RECORDS OR ATTACHING SUBSEQUENT TO THE EFFECTIVE DATE HEREOF BUT PRIOR TO THE DATE PROPOSED INSURED ACQUIRES OF RECORD FOR VALUE THE ESTATE OR INTEREST OR MORTGAGE THEREON COVERED BY THIS COMMITMENT.
6. UNPATENTED MINING CLAIMS; RESERVATIONS OR EXCEPTIONS IN PATENTS OR AN ACT AUTHORIZING THE ISSUANCE THEREOF; WATER RIGHTS, CLAIMS OR TITLE TO WATER.
7. Taxes for the year 1993 and subsequent years.
8. That certain Grazing Agreement between Rico Argentine Mining Company and Clyde Goodall dated July 11, 1980.
9. That certain Grazing Agreement between Rico Argentine Mining Company and Grady R. Leavell dated June 1, 1980.
10. All obligations of Rico Argentine Mining Company under that certain Resolution of the Board of Trustees of the Town of Rico dated November 8, 1978, concerning the "water crisis of 1976 and 1977".
11. All obligations of Rico Argentine Mining Company under that certain Agreement dated _____, 1972 with the Town of Rico concerning the sale of "materials needed in the gravelling of said streets".
12. All obligations of Rico Argentine Mining Company under that certain Agreement dated March _____, 1977, with the Town of Rico concerning the prospective granting of certain "appertenant permanent easements noot [sic] to exceed 20 feet in width for the purpose of providing . . . the perpetual right to enter at any time and from time to time and to maintain, repair, build, rebuild, operate, patrol, excavate and install or replace one or

Continued on next page

CONTINUATION SHEET

SCHEDULE B - SECTION 2

ORDER NUMBER: 94010047

COMMITMENT NUMBER: 1/A

more water lines [sic], or existing water lines located within and outside the Town of Rico, Colorado, which easements shall be more particularly described in a deed or deeds to be recorded in the Clerk and Records office of Dolores County, State of Colorado, when said locations are determined by the parties".

13. That certain perpetual easement granted by Rico Argentine Mining Company to the Town of Rico, Colorado and more particularly described as follows:

"Beginning at a point in Section 36, Township 40 North, Range 11 West, N.M.P.M., from which point U.S.L.M. #1 bears North 01 degrees 40 minutes 23 seconds West, a distance of 1411.07 feet; thence North 09 degrees 58 minutes 51 seconds East, a distance of 93.96 feet; thence North 26 degrees 32 minutes 02 seconds East, a distance of 147.49 feet; thence North 50 degrees 58 minutes 59 seconds East, a distance of 99.45 feet; thence North 39 degrees 16 minutes 12 seconds East, a distance of 124.30 feet; thence North 37 degrees 07 minutes 21 seconds East, a distance of 131.15 feet, from which point U.S.L.M. #1 bears North 21 degrees 14 minutes 03 seconds West, a distance of 989.76 feet"

14. Those certain right-of-way easements granted by Rico Argentine Mining Company to the Town of Rico, Colorado, on February 1, 1978, which are more particularly described in the copies thereof recorded in the Office of the Dolores County Clerk and Recorder on February 10, 1978 in Book 175 at pages 229, 230, 231, 232, 233, 235, 236 and 239.

15. Anaconda's obligation to convey to the Town of Rico the surface only of the East 20 feet of Lots 5 through 20, Block 28, Rico Townsite.

16. Quit Claim Deed of Dedicated Right of Way to the Town of Rico, recorded July 1, 1991 in Book 250 at page 72.

17. Business Lease to Dolores Real Estate Company, recorded July 13, 1992 in Book 255 at page 252.

18. Quit Claim Deed to Rico Development Corporation for a twenty foot wide easement for water line, recorded October 22, 1992 in Book 256 at page 244.

19. Right-of-Way Easement to The Town of Rico, Colorado, recorded October 22, 1992 in Book 256 at page 245.

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